

14 November 2013

Faroe Petroleum plc (“Faroe”, “Faroe Petroleum”, the “Company”)

**Lowlander (UK Central North Sea) – Acquisition (Faroe 100%)**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in the Atlantic margin, the North Sea and Norway, is pleased to announce that it has acquired the remaining 50 per cent interest in the Lowlander oil discovery in the UK Central North Sea, such that the Company will own the entire 100 per cent interest in the undeveloped oil field.

The Company has entered into an agreement with North Sea Ventures Limited to acquire its 50% interest in UK Licence P.324, block 14/20c containing the Lowlander oil discovery. This acquisition follows completion of Faroe's purchase of the initial 50% interest in the Lowlander discovery, acquired from Talisman Sinopec in February 2013.

Faroe has acquired Lowlander with the intention of bringing it forward to development together with the neighbouring Perth Field (Faroe 34.62%), as a joint project sharing the same production facilities and thereby benefiting from economies of scale. Perth and Lowlander have been fully appraised, with a combined total of nine wells drilled on the fields. Together the fields are estimated to contain Stock Tank Oil In Place of 270 million barrels, with 62 million barrels of oil estimated to be recoverable, of which 22 million barrels is attributable to Lowlander\*. In addition there is the potential that the production facilities for a joint field development could serve as a hub for a number of other analogous accumulations already discovered in the area.

The Company intends to continue the technical work programme focused on optimising the development solution for the fields and reaching commercial agreement for a joint development.

The acquisition is subject to approval by the Department of Energy and Climate Change.

**Graham Stewart, Chief Executive of Faroe Petroleum commented:**

“Faroe is building an exciting core area around Perth and Lowlander in the Central North Sea and work is underway together with our Perth partners to progress the potential high value Perth/Lowlander joint development project.

“In Norway, Faroe is now drilling the second well in its current six well exploration campaign. This is an exciting time for Faroe having recently announced a significant discovery on the first of these wells, Snilehorn. With an extensive, focused portfolio of assets and material equity stakes spanning the prolific North Sea, Norwegian Sea and Barents Sea in Norway, we have the real potential to generate considerable shareholder value in the near term.”

\*Source – Senergy Competent Persons Report

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John Wood, is the UK Asset Manager of Faroe Petroleum and an engineer (M.Sc in Petroleum Engineering, Imperial College, London), who has been involved in the energy industry for more than 15 years, has read and approved the technical disclosure in this regulatory announcement.

#### **Notes to Editors**

The Company has, through successive licence applications and acquisitions, built a substantial, diversified portfolio of exploration, appraisal, development and production assets across the Atlantic margin, the UK and Norwegian North Sea, Norwegian Sea, Barents Sea and offshore Iceland. Faroe Petroleum has extensive experience working with major and independent oil companies and its joint venture partners include BP, Centrica, DONG, E.ON Ruhrgas, GDF, OMV, Repsol, RWE Dea, Statoil and Wintershall.

The Company's licence portfolio provides considerable spread of risk and reward, encompassing some 60 licences. Faroe has a very active drilling programme ahead and it currently has interests in four principal producing oil and gas fields in the UK and Norway, including interests in the Blane oil field in the UK, and interests in the producing Njord, Brage and Ringhorne East fields in Norway, which collectively produced on average 7,200 boepd (economic production) in 2012. Full year production for 2013 is estimated to be between 5,500 bopod and 6,500 bopod following the extended shut in of the Njord platform.

In January 2013 Faroe announced a significant discovery in the Rodriguez prospect located on the Halten Terrace, in the Norwegian Sea. The discovery was made in the Lower Cretaceous, and led to the decision to fast-track drilling of the forthcoming Solberg well. In November 2013 Faroe announced the Snilehorn oil discovery in the Norwegian Sea in close proximity to the Hyme and Njord fields

Norway operates a tax efficient system which encourages exploration, through reimbursement of 78% of costs in the subsequent year.

Faroe Petroleum is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger, London and Torshavn. The Company is well financed from a strong cash reserve, excellent cash flow and largely undrawn \$250m borrowing base facility, with a fully funded drilling programme in through 2014. Faroe has highly experienced technical teams who are leaders in the areas of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.